



**Request for City Council Committee Action
From the Department of Public Works**

Date: October 31, 2002

To: Transportation and Public Works Committee
Referral to: Ways & Means/Budget Committee

Subject: Mixed Use Property/Assessment Calculations

Recommendation:

Previous Directives: 2003 Uniform Assessment Rates – referred back to T&PW Committee for discussion regarding assessments for mixed use properties.

Prepared or Submitted by: Suzette R. Hjermsstad, RE Investigator II, 673-2401

Approved: Brian J. Lokkesmoe, P. E., Interim City Engineer, Director of Public Works

By: Richard Smith Brian J. Lokkesmoe

Presenters in Committee: Suzette R. Hjermsstad

Financial Impact (Check those that apply)

☐ No financial impact - or - Action is within current department budget.
(If checked, go directly to Background/Supporting Information)

☐ Action requires an appropriation increase to the Capital Budget

☐ Action requires an appropriation increase to the Operating Budget

☐ Action provides increased revenue for appropriation increase

☐ Action requires use of contingency or reserves

☒ Other financial impact (Explain): Special assessments against benefited properties

☐ Request provided to the Budget Office when provided to the Committee Coordinator

Community Impact (use any categories that apply)

Neighborhood Notification

City Goals

Comprehensive Plan

Zoning Code

Other

Background/Supporting Information Attached

At the October 7, 2002 Ways and Means/Budget Committee meeting, there was discussion about mixed-use assessment rates. Council Member Niziolek requested that we do a hypothetical re-calculation of the special assessment for a mixed use property in the 35th Street Renovation project, assuming that the special assessment was based on a combination of the residential and non-residential rates. I have re-calculated the assessment for the property at 615 35th St W (PID No. 03-028-24-32-0160), based on the Land Market Value records of the City Assessor's Office. The Land MV records are used because our assessment calculations are based on property square foot areas.

615 35th St W is a storefront with apartment(s) above it. The property is owned by Isles Investments LLC. Currently, whether a property is specially assessed as residential or non-residential (commercial) is determined by City Assessor's land use code. If a property has both a commercial and residential use, the use that has the larger apportioned value is chosen. That is, if the residential has a higher value than commercial, the special assessment rate is the residential rate.

The total square footage (within the influence zone) for PID 03-028-24-32-0160 is 2419.2. The 2002 special assessment was \$1,233.79 (2419.2 sq ft X \$.51 non-residential renovation rate). If the property had been assessed at the residential rate, the assessment would have been \$483.84 (2419.2 X \$.20 residential renovation rate). The 2002 special assessment could be paid over 10 years on the property taxes.

I have done a hypothetical calculation that shows the effect of a blended assessment method. The calculation divides the special assessment proportionate to the City Assessor's land use value. Using the Assessor's information for the split between commercial and residential use for this property, the re-calculation is as follows:

Land MV

\$ 7,100 (Commercial)	= 62% (of 2,419.2 sq ft)	= 1,499.9 sq ft X \$.51 (non-res rate)	= \$764.95
\$ 4,400 (Residential)	= 38% (of 2,419.2 sq ft)	= 919.3 sq ft X \$.20 (res rate)	= \$183.86
\$11,400 TOTAL	= 100%		= \$948.81

Taking into consideration the mixed use of this property and splitting the assessment by the same percentage as the land records, the new assessment amount would have been \$948.81.

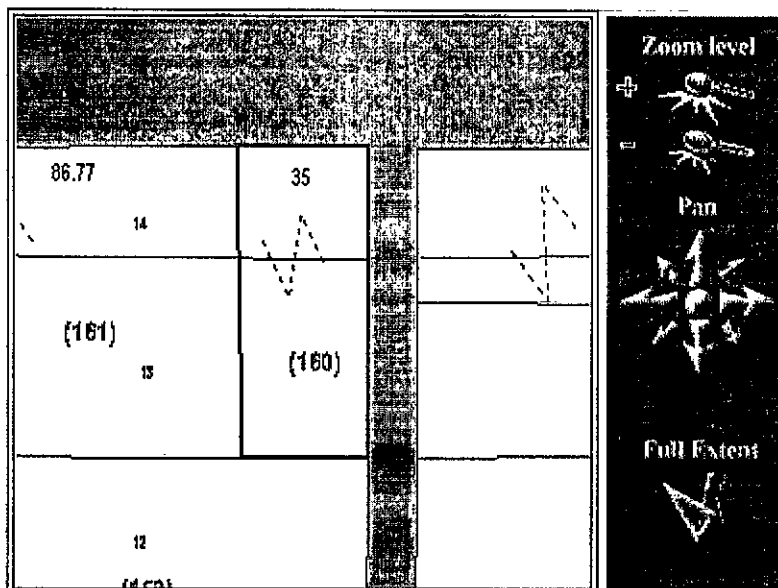
It has been our practice and policy in the past to assess at the rate that has the majority percentage of use for a particular parcel. As shown by the example above, if there is a policy change, these mixed use properties require separate hand calculating by staff to calculate the % of use for each parcel, then apply that % to calculate the square footage to be allocated for each use. This will be a resource problem for Special Assessment staff.

The establishment of an individually calculated, land use, value based special assessment policy would not affect condominiums however, because they have individual property identification numbers. In all cases, special assessments are to the property, not the individual, so how this assessment is passed on to tenants by the property owner is at the discretion of the property owner.

The 2003 recommended Uniform Special Assessment Rates were based on the current split between non-residential and residential. If a new mixed-use calculation is implemented, it will affect the total assessment dollars to be collected for 2003 scheduled paving projects. We will not be able to determine the effect of a new calculation until we have submitted the 2002 assessment rolls to be levied to Hennepin County in November, since all of our staff time is dedicated to meeting this deadline. By levying the assessment rolls we are currently finalizing for recent paving, lighting projects, sidewalk, repairs, etc., revenue will be returned to the City through the property taxes. Not only are we constrained by these deadlines, but by current budget reductions for staffing and by computer programming needs and support as well.

Hennepin County, MN

Click on map to view information on adjoining properties
Scroll down to see property address, value & tax info

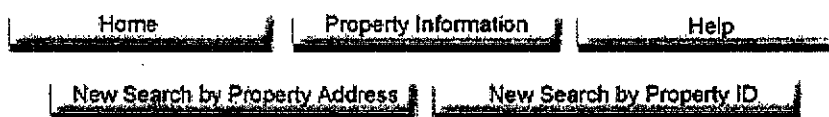


Last update: 10/03/2002 at 1:00:00 PM

Property ID	Approximate Property Perimeter	Approximate Property Area
03-028-24-32-0160	215 ft.	2,475 sq.ft. = 0.057 acres
Property Address	Market Value	Total Tax (2002)
615 35TH ST W MINNEAPOLIS, MN 55408	\$ 130,500	\$ 3,250.40

Click on Property Information Button below to view main
tax information page for the property you have selected

Hennepin County Surveyor Map Products



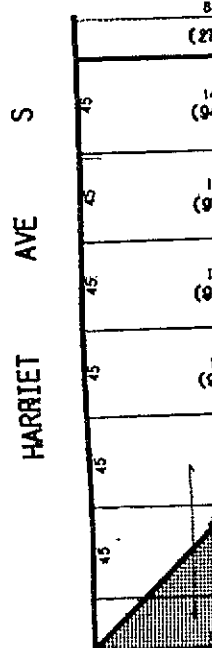
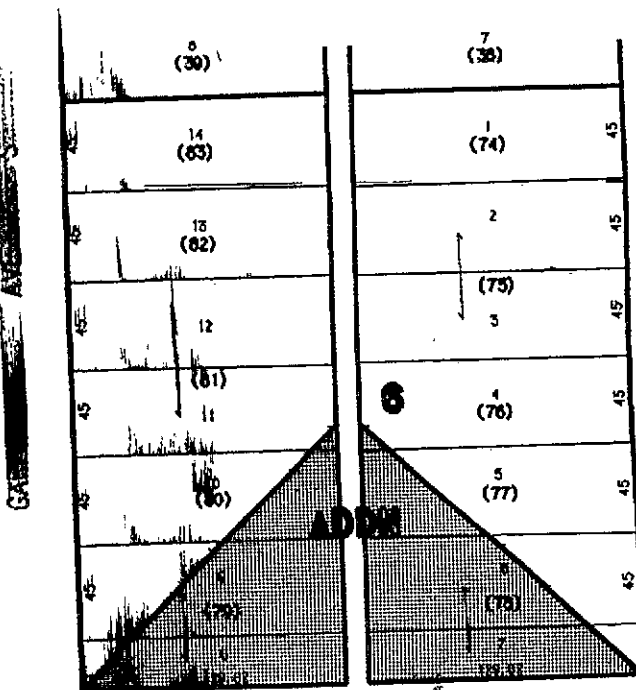
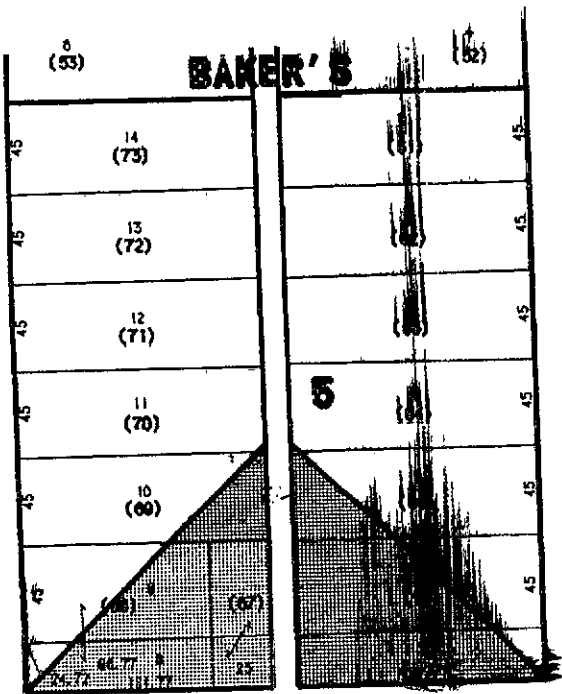
This information is to be used for reference purposes only. Hennepin County does not guarantee the accuracy of the material herein contained and is not responsible for any misuse or misrepresentation of this information or its derivatives. If map discrepancies are found, please contact Bob Moulder with the Hennepin County Surveyors Office at (612) 348-2618 or email him directly at Bob.Moulder@co.hennepin.mn.us

The quality of the display may be influenced by your screen size and resolution setting, and is best viewed at 800x600 screen resolution.
This application requires Internet Explorer 3.02 or Netscape 2.01 or later version for proper operation

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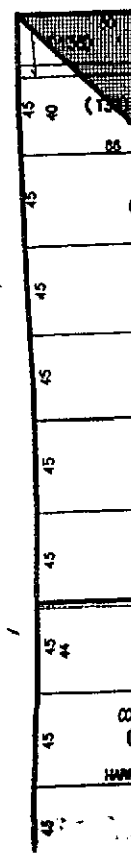
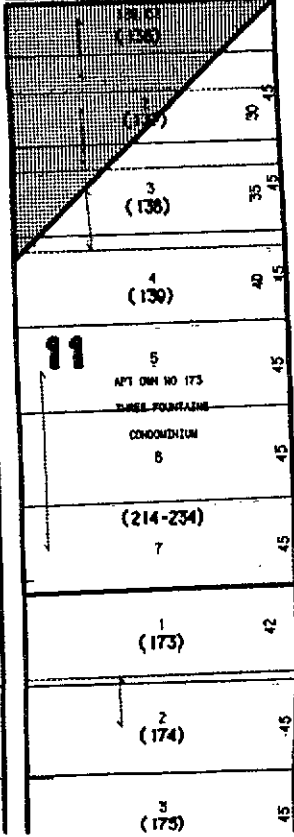
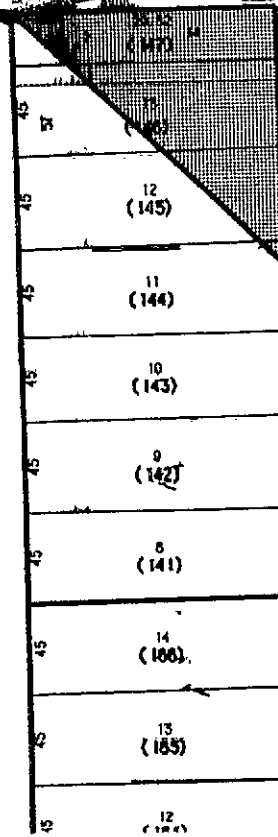
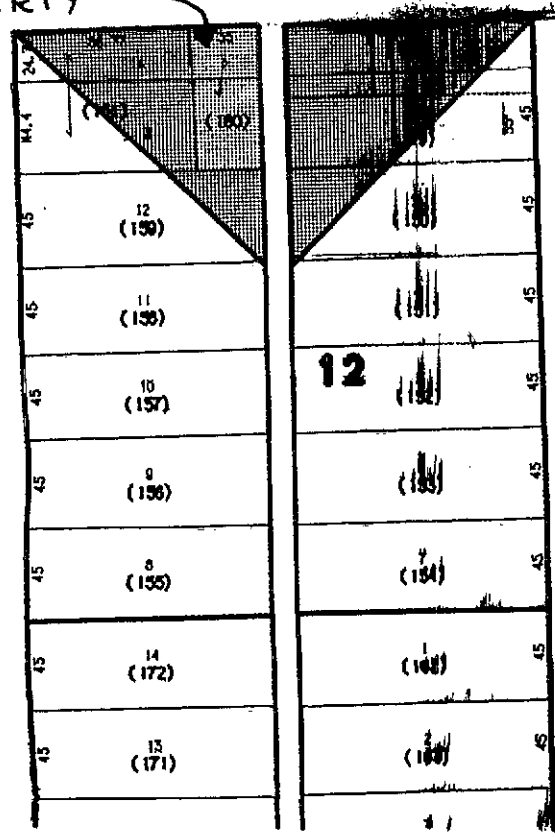
35th STREET RENOVATION INFLUENCE ZONE MAP

LYNDALE AVE S



HARRIET AVE S

SUBJECT PROPERTY 35TH ST





Hennepin County, MN

[Search Tips](#)

Property Information Search Result

The Hennepin County Property Tax web database is updated daily (Monday - Friday) at approximately 9:15 p.m. (CST)

Search By:

Property ID
Address
Addition Name

Property ID:

03-028-24-32-0160

Parcel Data for Taxes Payable 2002

[View Map](#)
[Taxes Due](#)
[Payment Options](#)

Property ID:	03-028-24-32-0160
Address:	615 35TH ST W
Municipality:	MINNEAPOLIS
School Dist:	001
Watershed:	6
Sewer Dist:	
Owner Name:	ISLES INVESTMENTS LLC
Taxpayer Name & Address:	ISLES INVESTMENTS LLC ATTN DENNIS A KOCH PRESIDENT 3514 GARFIELD AVE S MPLS MN 55408
Construction year:	1907
Parcel Size:	35.00 X 69.00

Most Current Sales Information

Sales prices are reported as listed on the Certificate of Real Estate Value and are warranted to represent arms-length transactions.

NO SALE INFORMATION ON FILE FOR THIS PROPERTY.

Tax Parcel Description

Addition Name:	BAKERS ADDN TO MPLS
Lot:	
Block:	012
Metes & Bounds:	E 35 FT LOTS 13 AND 14

Value and Tax Summary for Taxes Payable 2002 Values Established by Assessor as of January 2, 2001

Estimated Market Value:	\$130,500
Limited Market Value:	\$122,100
Taxable Market Value:	\$122,100
Total Improvement Amount:	
Total Net Tax:	\$3,227.14
Total Special Assessments:	
Solid Waste Fee:	\$23.26
Total Tax:	\$3,250.40

Property Information Detail for Taxes Payable 2002 Values Established by Assessor as of January 2, 2001

Values:		1	2
Land Market		\$4,400	\$7,100
Building Market		\$45,200	\$73,800
Machinery Market			
Total Market:		\$49,600	\$80,900
Land Limited		\$3,700	\$7,100
Building Limited		\$37,500	\$73,800
Total Limited:		\$41,200	\$80,900
Qualifying Improvements			
Classifications:		1	2
Property Type		RESIDENTIAL	COMMERCIAL
Homestead Status		NON-	NON-
		HOMESTEAD	HOMESTEAD
Relative Homestead			
Agricultural			
Exempt Status			

14833

Hennepin County is providing this information as a public service.
Have a tax related question? Send e-mail to taxinfo@co.hennepin.mn.us
Experience a problem searching database, have a technical question or wish to comment on the Hennepin County Tax web site? Send e-mail to Don.Kopel@co.hennepin.mn.us
Have a comment on any of Hennepin County's web sites or E-Commerce applications? e-mail to Henn.Net@co.hennepin.mn.us

Home	Services	Taxpayer Services	Assessor's Dept.	Main Search
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REPORT 35bldu.2960.04-12-02 FOR YEAR 2001 PAYABLE IN 2002

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ID	PROPERTY OWNER	TAXPAYER	PROPERTY ADDRESS	LAND AREA	USE	ZONING	GBA PT	LEVY	LND EMV	BLD EMV	TOT EMV
0302824320131	KARL W JORGENSON	KARL W JORGENSON	3511 HARRIET AVE S	5,805	A14	R5	6,594 A	TAXAI	34,800	259,200	294,000
0302824320132	DAVID J LOOMER	DAVID J LOOMER	3507 HARRIET AVE S	5,805	R1A	R2B	1,152 R	TAXAI	28,500	153,500	182,000
0302824320133	R M CRAWFORD & R B CRAWFORD	RONALD B CRAWFORD	3503 HARRIET AVE S	3,618	R1A	R2B	1,152 R	TAXAI	14,000	137,000	151,000
0302824320134	JULIE L NORTH	JULIE L NORTH	415 35TH ST W	2,967	R1A	R2B	1,172 R	TAXAI	10,500	127,000	137,500
0302824320135	NOVETA A BOLTON	NOVETA A BOLTON	3501 HARRIET AVE S	2,320	R1A	R2B	1,311 R	TAXAI	8,000	133,000	141,000
0302824320136	RICHARD D ANTONI	MINNESOTA HSNR SERVICES INC	3500 HARRIET AVE S	5,031	R1A	R2B	1,790 R	TAXAI	23,500	111,500	135,000
0302824320137	R D DAVIS & M A DAVIS	ROBERT DAVIS	3504 HARRIET AVE S	5,160	R1A	R2B	1,552 R	TAXAI	26,500	169,000	195,500
0302824320138	P A LEUGERS & L M FERRERA	PETER A LEUGERS	3508 HARRIET AVE S	5,160	R1A	R2B	1,314 R	TAXAI	26,500	169,500	196,000
0302824320139	T & G JONES	THOMAS A JONES	3512 HARRIET AVE S	5,160	R1A	R2B	1,206 R	TAXAI	26,500	151,000	177,500
0302824320144	SHARON E GEORGE	SHARON E GEORGE	3511 GARFIELD AVE S	5,805	R1A	R2B	1,043 R	TAXAI	28,500	73,500	102,000
0302824320145	PAMELA L CHRISTIAN	PAMELA CHRISTIAN	3507 GARFIELD AVE S	5,805	R1A	R2B	536 R	TAXAI	28,500	51,500	80,000
0302824320146	RUTH A HALTER	RUTH A HALTER	3505 GARFIELD AVE S	4,773	R1A	R2B	960 R	TAXAI	23,500	81,500	105,000
0302824320147	PAUL J FRAGODT ETAL	PAUL J FRAGODT	3501 GARFIELD AVE S	4,128	R1A	R2B	1,196 R	TAXAI	16,000	134,000	150,000
0302824320148	PATRICK P THEIS	PATRICK P THEIS	3500 GARFIELD AVE S	4,114	M2F	R2B	1,937 DB	TAXAI	22,500	181,500	204,000
0302824320149	DJOLA B BRANNER	DJOLA B BRANNER	3504 GARFIELD AVE S	4,235	R1A	R2B	1,185 R	TAXAI	18,500	146,000	164,500
0302824320150	HENRY G FOLLINGSTAD ETAL	HENRY G FOLLINGSTAD	3506 GARFIELD AVE S	5,445	R1A	R2B	1,840 R	TAXAI	27,500	183,000	210,500
0302824320151	DANIEL J & HEIDI K NIZIOLEK	DANIEL J & HEIDI K NIZIOLEK	3510 GARFIELD AVE S	5,445	R1A	R2B	1,085 R	TAXAI	27,500	120,500	148,000
0302824320158	G E FREGNI & K W FLETCHER	K FLETCHER & G E FREGNI	3511 LYNDAL AVE S	5,445	M2F	R5	1,380 DB	TAXAI	61,000	54,500	115,500
0302824320159	JOAN BARTON	JOAN BARTON	3507 LYNDAL AVE S	5,445	R1A	R5	1,288 R	TAXAI	42,000	132,500	174,500
0302824320160	DENNIS A KOCH	DENNIS A KOCH	615 35TH ST W	2,415	COR	R6	1,609 C	TAXAI	7,100	73,800	80,900
0302824320160	DENNIS A KOCH	DENNIS A KOCH	615 35TH ST W	2,415	COR	R6	1,609 R	TAXAI	4,400	45,200	49,600
0302824320161	LELAND E JOHNSON	LELAND JOHNSON	3501 LYNDAL AVE S	6,050	A16	R6	9,492 A	TAXAI	34,800	383,200	418,000
0302824410011	MANSOUREH SHIRVANI	MANSOUREH SHIRVANI	3444 PORTLAND AVE S	5,593	A14	R2B	7,548 A	TAXAI	10,600	203,400	214,000
0302824410012	SOVEREIGN INVESTMENTS INC	SOVEREIGN INVESTMENTS INC	3450 PORTLAND AVE S	7,430	A16	R2B	8,976 HL	TAXAI	18,000	211,000	229,000
0302824410013	LEONARD FORBES	LEONARD FORBES	3453 5TH AVE S	4,998	R1A	R2B	1,702 R	TAXAI	5,500	103,500	109,000
0302824410014	MEVEN GOONEWARDENA ET AL	MEVEN GOONEWARDENA	3449 5TH AVE S	4,998	R1A	R2B	1,894 R	TAXAI	6,500	114,000	120,500
0302824410015	D KLEIN & S SHIMOTA	DANIEL KLEIN	3445 5TH AVE S	4,998	R1A	R2B	1,544 R	TAXAI	6,500	84,500	91,000
0302824410037	H J LUIS-SANTIAGO ET AL	HERIBERTA J LUIS-SANTIAGO	3440 5TH AVE S	5,418	R1A	R2B	1,344 R	TAXAI	6,500	5,500	12,000
0302824410038	ZEFERINO SANABRIA-OVAL	ZEFERINO SANABRIA-OVAL	3444 5TH AVE S	5,434	R1A	R2B	998 R	TAXAI	6,500	69,500	76,000
0302824410039	GARY COURTNEY	GARY COURTNEY	3448 5TH AVE S	5,418	R1A	R2B	1,092 R	TAXAI	5,500	59,500	65,000
0302824410040	TOLLIE J FLIPPIN JR	TOLLIE J FLIPPIN JR	3452 5TH AVE S	5,418	R1A	R2B	1,272 R	TAXAI	5,500	69,000	74,500
0302824410041	BOONE-GESCHWIND PTRSHP	BOONE-GESCHWIND PTRSHP	3455 4TH AVE S	5,434	CRM	C1	7,224 C	TAXAI	20,900	73,100	94,000
0302824410042	CALLIE J DANIEL	CALLIE J DANIEL	3449 4TH AVE S	5,418	R1A	R2B	1,275 R	TAXAI	5,500	70,500	76,000
0302824410043	JOHN F GLANTON	JOHN F GLANTON	3445 4TH AVE S	5,418	R1A	R2B	1,248 R	TAXAI	5,500	89,500	95,000
0302824410044	R M DYER & E E DYER	REESE M DYER	3441 4TH AVE S	5,418	R1A	R2B	1,352 R	TAXAI	5,500	95,500	101,000